

108TH CONGRESS
1ST SESSION

H. R. 19

To provide for a program of temporary enhanced unemployment benefits.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. CARDIN (for himself, Mr. RANGEL, and Mr. LEVIN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for a program of temporary enhanced unemployment benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Security Act
5 of 2003”.

6 **SEC. 2. FEDERAL-STATE AGREEMENTS.**

7 (a) IN GENERAL.—Any State which desires to do so
8 may enter into and participate in an agreement under this
9 Act with the Secretary of Labor (hereinafter in this Act
10 referred to as the “Secretary”). Any State which is a party
11 to an agreement under this Act may, upon providing 30

1 days' written notice to the Secretary, terminate such
2 agreement.

3 (b) PROVISIONS OF AGREEMENT.—

4 (1) IN GENERAL.—Any agreement under sub-
5 section (a) shall provide that the State agency of the
6 State will make payments of regular compensation
7 to individuals in amounts and to the extent that they
8 would be determined if the State law were applied
9 with the modifications described in paragraph (2).

10 (2) MODIFICATIONS DESCRIBED.—The modi-
11 fications described in this paragraph are as follows:

12 (A) In the case of an individual who is not
13 eligible for regular compensation under the
14 State law because of the use of a definition of
15 base period that does not count wages earned
16 in the most recently completed calendar quar-
17 ter, then eligibility for compensation under this
18 title shall be determined by applying a base pe-
19 riod ending at the close of the most recently
20 completed calendar quarter.

21 (B) In the case of an individual who is not
22 eligible for regular compensation under the
23 State law because such individual does not meet
24 requirements relating to availability for work,
25 active search for work, or refusal to accept

1 work, because such individual is seeking, or is
2 available for, less than full-time work, then
3 compensation under this title shall not be de-
4 nied by such State to an otherwise eligible indi-
5 vidual who seeks less than full-time work or
6 fails to accept full-time work.

7 (C) The amount of regular compensation
8 (including dependents' allowances) payable for
9 any week shall be equal to the amount deter-
10 mined under the State law (before the applica-
11 tion of this subparagraph), plus an additional—

12 (i) 15 percent; or

13 (ii) \$25,

14 whichever is greater.

15 (c) NONREDUCTION RULE.—Under the agreement,
16 subsection (b)(2)(C) shall not apply (or shall cease to
17 apply) with respect to a State upon a determination by
18 the Secretary that the method governing the computation
19 of regular compensation under the State law of that State
20 has been modified in a way such that—

21 (1) the average weekly amount of regular com-
22 pensation which will be payable during the period of
23 the agreement (determined disregarding the modi-
24 fications described in subsection (b)(2)) will be less
25 than

1 (2) the average weekly amount of regular com-
2 pensation which would otherwise have been payable
3 during such period under the State law, as in effect
4 on September 11, 2001.

5 (d) COORDINATION RULE.—The modifications de-
6 scribed in subsection (b)(2) shall also apply in determining
7 the amount of benefits payable under any Federal law to
8 the extent that those benefits are determined by reference
9 to regular compensation payable under the State law of
10 the State involved.

11 **SEC. 3. PAYMENTS TO STATES HAVING AGREEMENTS**
12 **UNDER THIS ACT.**

13 (a) GENERAL RULE.—There shall be paid to each
14 State which has entered into an agreement under this Act
15 an amount equal to—

16 (1) 100 percent of any regular compensation
17 made payable to individuals by such State by virtue
18 of the modifications which are described in section
19 2(b)(2) and deemed to be in effect with respect to
20 such State pursuant to section 2(b)(1), and

21 (2) 100 percent of any regular compensation—
22 (A) which is paid to individuals by such
23 State by reason of the fact that its State law
24 contains provisions comparable to the modifica-

1 tions described in section 2(b)(2)(A)–(B), but
2 only

3 (B) to the extent that those amounts
4 would, if such amounts were instead payable by
5 virtue of the State law’s being deemed to be so
6 modified pursuant to section 2(b)(1), have been
7 reimbursable under paragraph (1).

8 (b) DETERMINATION OF AMOUNT.—Sums under sub-
9 section (a) payable to any State by reason of such State
10 having an agreement under this Act shall be payable, ei-
11 ther in advance or by way of reimbursement (as may be
12 determined by the Secretary), in such amounts as the Sec-
13 retary estimates the State will be entitled to receive under
14 this Act for each calendar month, reduced or increased,
15 as the case may be, by any amount by which the Secretary
16 finds that the Secretary’s estimates for any prior calendar
17 month were greater or less than the amounts which should
18 have been paid to the State. Such estimates may be made
19 on the basis of such statistical, sampling, or other method
20 as may be agreed upon by the Secretary and the State
21 agency of the State involved.

22 (c) ADMINISTRATIVE EXPENSES, ETC.—There is
23 hereby appropriated out of the employment security ad-
24 ministration account of the Unemployment Trust Fund
25 (as established by section 901(a) of the Social Security

1 Act) \$500,000,000 to reimburse States for the costs of
2 the administration of agreements under this Act (includ-
3 ing any improvements in technology in connection there-
4 with) and to provide reemployment services to unemploy-
5 ment compensation claimants in States having agreements
6 under this Act. Each State's share of the amount appro-
7 priated by the preceding sentence shall be determined by
8 the Secretary according to the factors described in section
9 302(a) of the Social Security Act and certified by the Sec-
10 retary to the Secretary of the Treasury.

11 **SEC. 4. FINANCING PROVISIONS.**

12 (a) IN GENERAL.—Funds in the extended unemploy-
13 ment compensation account (as established by section
14 905(a) of the Social Security Act), and the Federal unem-
15 ployment account (as established by section 904(g) of the
16 Social Security Act), of the Unemployment Trust Fund
17 shall be used, in accordance with subsection (b), for the
18 making of payments (described in section 4(a)) to States
19 having agreements entered into under this Act.

20 (b) CERTIFICATION.—The Secretary shall from time
21 to time certify to the Secretary of the Treasury for pay-
22 ment to each State the sums described in section 4(a)
23 which are payable to such State under this Act. The Sec-
24 retary of the Treasury, prior to audit or settlement by the
25 General Accounting Office, shall make payments to the

1 State in accordance with such certification by transfers
2 from the extended unemployment compensation account
3 (or, to the extent that there are insufficient funds in that
4 account, from the Federal unemployment account) to the
5 account of such State in the Unemployment Trust Fund.

6 **SEC. 5. DEFINITIONS.**

7 For purposes of this Act:

8 (1) IN GENERAL.—The terms “compensation”,
9 “regular compensation”, “base period”, “State”,
10 “State agency”, “State law”, and “week” have the
11 respective meanings given such terms under section
12 205 of the Federal-State Extended Unemployment
13 Compensation Act of 1970, subject to paragraph
14 (2).

15 (2) STATE LAW AND REGULAR COMPENSA-
16 TION.—In the case of a State entering into an
17 agreement under this Act—

18 (A) “State law” shall be considered to
19 refer to the State law of such State, applied in
20 conformance with the modifications described in
21 section 2(b)(2), subject to section 2(c), and

22 (B) “regular compensation” shall be con-
23 sidered to refer to such compensation, deter-
24 mined under its State law (applied in the man-
25 ner described in subparagraph (A)),

1 except as otherwise provided or where the context
2 clearly indicates otherwise.

3 **SEC. 6. APPLICABILITY.**

4 (a) IN GENERAL.—An agreement entered into under
5 this Act shall apply to weeks of unemployment—

6 (1) beginning after the date on which such
7 agreement is entered into, and

8 (2) ending before July 1, 2004.

9 (b) SPECIFIC RULES.—Under such an agreement—

10 (1) the modification described in section
11 2(b)(2)(A) (relating to alternative base periods) shall
12 not apply except in the case of initial claims filed
13 after September 11, 2001, and

14 (2) the modifications described in section
15 2(b)(2)(B)–(C) (relating to part-time employment
16 and increased benefits, respectively) shall apply to
17 weeks of unemployment (described in subsection
18 (a)), irrespective of the date on which an individual’s
19 claim for benefits is filed.

20 **SEC. 7. NO REDUCTION IN UNEMPLOYMENT COMPENSA-**
21 **TION AS A RESULT OF PENSION ROLLOVERS.**

22 (a) IN GENERAL.—Section 3304(a) of the Internal
23 Revenue Code of 1986 is amended by adding at the end
24 the following flush sentence:

1 “In no event shall paragraph (15) apply in the case of
2 any rollover distribution which is not includable in gross
3 income for the taxable year in which paid.”.

4 (b) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), the amendment made by this section shall
7 apply to compensation paid for weeks of unemploy-
8 ment beginning on or after the date that is 60 days
9 after the date of enactment of the Economic Secu-
10 rity Act of 2003.

11 (2) EXTENSION OF EFFECTIVE DATE FOR
12 STATE LAW AMENDMENT.—If the Secretary of
13 Labor determines that a State requires an amend-
14 ment to State law for that State to meet the require-
15 ments imposed under the Federal-State Extended
16 Unemployment Compensation Act of 1970 (26
17 U.S.C. 3304 note) by the amendment made by this
18 section, the State shall not be regarded as failing to
19 comply with the requirements of such Act solely on
20 the basis of its failure to meet these requirements
21 before the first day of the first calendar quarter be-
22 ginning after the close of the first regular session of
23 the State legislature that begins after the date of the
24 enactment of this Act. For purposes of the previous
25 sentence, in the case of a State that has a 2-year

1 legislative session, each year of the session is consid-
2 ered to be a separate regular session of the State
3 legislature.

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